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HENRIETTA M. LARSON, *Editor*

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Business and the Telephone, 1878

As Illustrated by Early Directories

In the year 1878 the American businessman first became hitched to the telephone. Not that the telephone was new that year. The businessman had come to know it as an instrument for talking at some distance by means of a pair of telephones connected with telegraph wires or wires put up for that purpose. He could, for instance, lease such a pair of phones for \$12 a year from the Bell Telephone Company of Boston¹. But such use of the new instrument was limited.

The installation of an exchange system in 1878 made the telephone a practical instrument for the businessman. Such exchanges had, by October 1, 1878, been introduced by the Bell Telephone Company—which designed the only system of exchanges then in use—in Boston, Lowell (Massachusetts), New Haven, New York, Albany, Chicago, St. Louis, Louisville, Cincinnati, “and other places”².

Through directories for 1878, preserved in the archives of the American Telephone and Telegraph Company and the New England Telephone and Telegraph Company, we can see the rapid growth of interest in the telephone among businessmen. Indeed, the very backbone of the telephone industry was at first the business and not the residential subscriber.

¹American Telephone and Telegraph Co., *Headquarters Bulletin*, vol. ii (Dec. 7, 1928), p. 7.

²*The Telephone Journal*, vol. i, no. 1 (Chicago, Oct. 1, 1878), p. 3.

The earliest directory known to have been printed was issued by the New Haven District Telephone Company in February, 1878. This single-paged directory is reproduced below. Note the simple classification, the predominance of business subscribers, and the 24-hour service:

LIST OF SUBSCRIBERS.

New Haven District Telephone Company.

OFFICE 219 CHAPEL STREET.

February 21, 1878.

Residences.

Rev. JOHN E. TODD.
J. B. CARRINGTON.
H. B. BIGELOW.
C. W. SCRANTON.
GEORGE W. COY.
G. L. FERRIS.
H. P. FROST.
M. F. TYLER.
I. H. BROMLEY.
GEO. E. THOMPSON.
WALTER LEWIS.

Physicians.

Dr. E. L. R. THOMPSON.
Dr. A. E. WINCHELL.
Dr. C. S. THOMSON, Fair Haven.

Dentists.

Dr. E. S. GAYLORD.
Dr. R. F. BURWELL.

Miscellaneous.

REGISTER PUBLISHING CO.
POLICE OFFICE.
POST OFFICE.
MERCANTILE CLUB.
QUINNIPIAC CLUB.
F. V. McDONALD, Yale News.
SMEDLEY BROS. & CO.
M. F. TYLER, Law Chambers.

Stores, Factories, &c.

O. A. DORMAN.
STONE & CHIDSEY.
NEW HAVEN FLOUR CO., State St.
" " " " Cong. Ave.
" " " " Grand St.
" " " " Fair Haven.
ENGLISH & MERSICK.
New Haven FOLDING CHAIR CO.
H. HOOKER & CO.
W. E. ENSIGN & SON.
H. B. BIGELOW & CO.
C. COWLES & CO.
C. S. MERSICK & CO.
SPENCER & MATTHEWS.
PAUL ROESSLER.
E. S. WHEELER & CO.
ROLLING MILL CO.
APOTHECARIES HALL.
E. A. GESSNER.
AMERICAN TEA CO.

Meat & Fish Markets.

W. H. HITCHINGS, City Market.
GEO. E. LUM, " "
A. FOOTE & CO.
STRONG, HART & CO.

Hack and Boarding Stables.

CRUTTENDEN & CARTER.
BARKER & RANSOM.

Office open from 6 A. M. to 2 A. M.
After March 1st, this Office will be open all night.

The first Boston directory extant, issued later in 1878, contained a special appeal to businessmen. A one-page, classified list of "firms," 67 in number, which had already subscribed contained this statement:

The above Company [Telephone Despatch Co. (Bell's Patent)] proposes, and is now prepared, to establish direct Telephonic Communication between each and every business house in this City. Whatever inquiry you wish to make, business you wish to transact, or message you wish to communicate with any other business house or profession in the City, can be done while seated at your desk. This is done by communicating through the telephone, to a Central Office, that you wish to speak to Mr. A., or B. or C. In an instant your communication is made direct and complete, and you can carry on your conversation, — which it is *impossible* for a third party to overhear, — again signaling the Central Office when you are through. Every Bank, Office, Business House and Profession in this City are expected to connect with this Central Office System.

About the same time a directory was also issued for New York City. This "list of subscribers to the Central Office System of the Bell Telephone Company of New York" was much more comprehensive than Boston's—it covered in small print two 5x8 inch pages and included about three hundred names. The subscribers listed were all business firms. The directory was classified, but there was no order or apparent logic in the arrangement of categories listed. There may have been design in putting first the category of "Banks, Bankers and Brokers." The subscribers in this group numbered 46 private banking and brokerage firms, making this the largest single category. Wholesaling and importing firms also weighed heavily in the New York list, as did insurance. "Diamonds, Watches, Plated Ware, etc." ranked third in number of subscribers. The ten hotels listed, two railroad ticket offices ("Lansing's Ticket Office" and the "Wabash R. R. Co."), and the six offices of the New York Transfer Co. show that concerns catering to the traveler already recognized the value of the telephone.

By far the most interesting of these 1878 directories was that issued by the Bell Telephone Company, for Chicago. It was contained in the first number of *The Telephone Journal*, a twelve-page issue in appearance like the ordinary trade journal of the day. This *Journal*, the first copy of which is dated October 1, 1878, was distributed free of charge to all subscribers. It is of special interest to us for two reasons: it set out especially to edu-

cate the businessman to see the value of the telephone; and it contained every characteristic of the present-day city telephone directory, that is, an alphabetical list, a classified list, and call numbers.

The managers of the Chicago telephone were an aggressive group. They proposed to issue the *Journal* monthly and to distribute it not only to telephone subscribers but also to "Hotels, Club Houses, and places of resort in the city and neighborhood," and even to send it "to the agents of this Company in the different cities of the Union, for distribution." Indeed, the Chicago system grew so rapidly that the work increased faster than the exchange system's capacity to handle it. "Since the first introduction of our system, but four months ago, the calls have increased from 5 per day to about 1,600 at present writing." The company had in some instances been compelled to put many subscribers on one wire, with the result that delay often occurred in making connections, and subscribers were therefore informed that when sending short messages, "time can be saved by sending them to the Central Office for transmission, from whence they will be repeated to destination." It was planned, however, within a month to establish three branch exchanges in the city and to run additional wires to accommodate all who used the instruments.

This Chicago directory listed call numbers, giving with each name the number of its wire and rings. One would like to believe that the call number was really used, as such. But, alas, the instructions to users of the telephone required that the name and address of the party called be stated as well as the name of the caller. Presumably, the numbers listed in the directory were for the use of the exchange operator and to inform the subscriber of his own call—no call being more than five rings.

Indeed, using the instrument was in itself a complicated operation, as the instructions at the head of the directory show:

TO CALL THE CENTRAL OFFICE, turn the crank on the bell strongly, at the same time pressing upwards the knob on the bottom. The call will be answered by the ringing of your bell. Then turn the switch to the right hand button and use your telephone.

When you are called from the Central Office, answer by ringing your bell the same number of times as your call, *i. e.*, if your call is three, answer three; then turn the switch to the right and use your telephone. Speak clearly and distinctly, with your lips gently TOUCHING the telephone. When you have finished, turn the switch

BUSINESS DIRECTORY.

BAKERSIES.

- WIRE CALL.
152 4 CHICAGO BAKERY CO., 196-202 S. Clark st.
125 3 DAKE BAKERY, 24-26 N. Clinton st.

BAKING POWDERS AND YEAST.

- 46 2 KIRKHAM, C. H., 9 Wabash ave.
1 3 STEELE & PRICE, 110-112 Randolph st.

BARRIERS.

- 116 2 BRADSHAW, F. M., 280 Centre ave

BANKS.

- 78 4 CORN EXCHANGE NATIONAL BANK, Chamber of Commerce
78 2 CHICAGO CLEARING HOUSE, 80-82 5th ave.

BASE BALL SUPPLIES.

- 1 2 SPAULDING, A. G. & BRO., 118 Randolph st.

BROOM CORN.

- 104 3 GROSS, J. P. & CO., 233-235 E. Kinzie st.

BILLIARD TABLES.

- 2 BRUNSWICK, J. M. & BALKE CO., 47-49 State st.
3 BRUNSWICK, J. M. & BALKE CO., Rush, corner Kinzie st.

BRASS AND METAL.

- 93 4 SCOVILLE MFG. CO., 183 Lake st.
76 5 UNION BRASS CO., 99-109 Ohio st.

BOXES-WOOD AND PAPER.

- 502 2 HAIR & ELPHICKE, 545 W. 22d st.
154 5 RANDALL, A. S. & T. P., 184 Monroe st.
176 2 RITCHIE & DUCK, 155 Michigan ave.
504 2 STEPHENS, HENRY, Throop and 22d sts.
53 5 SCHULTZ, H., 51 State st.

CANNED GOODS.

- 15 5 ARNIBY, J. K. & CO., 22-24 River st.
42 5 CLARK & LOVEDAY, 34-36 S. Water st.
39 3 WADNER, F. A. & BRO., 45 River st.
110 3 RAILTON, W. H., 9 La Salle st.

CHILDREN'S CARRIAGES.

- 194 4 WILL, HENRY & CO., 378 5th ave

COMMERCIAL COLLEGE.

- 5 3 BRYANT & STRATTON, 77-St. State st

CONFECTIONERS.

- 41 4 BROOKS & NEEMES, 36-38 Michigan ave
13 3 KRANZ, JOHN, 78-80 State st.
93 3 PAGE, M. E. & CO., 211-213 Lake st.
20 3 SPOHR, C. A., 416 State st.

COFFIN MANUFACTURERS.

- 194 2 HILL, F. H. & CO., 292 Franklin st

CORDS AND TAPES.

- 3 4 PETERS, M., 61 Washington st

CEMENT.

- 113 4 BOWEN, H. S., 36 Market st.
82 3 KELLY, WM. & CO., 199 Randolph st.
82 2 KELLY, WM. & CO., 202 Randolph st.

CITY MESSENGER OFFICE.

- 75 3 McCLORY, T. A., 133 Madison st.

CAR AND BRIDGE CO.

- 168 2 PULLMAN PALACE CAR CO., Adams st., corner Michigan ave.

- 160 2 WELLS & FRENCH CO., 146 Dearborn st.
200 3 WELLS & FRENCH CO., Blue Island ave

COMMISSION MERCHANTS.

- 88 2 GERSTENBURG, C. & CO., 199 Kinzie st.

COMMERCIAL AGENCIES.

- WIRE CALL.
2 CHICAGO COMMERCIAL AGENCY, 162 Washington st.

COAL.

- 29 2 BOWEN & LESTER, 67 Lake st.
97 3 DRAKE & MOODY, 88 Washington st.
196 4 DRAKE & MOODY, 470 S. Clark st.
5 4 KELLEY & MORLEY, 97 Washington st.
123 4 LAW, ROBT., 280 Madison st.
100 2 LAW, ROBT., North Pier
5 3 WATSON COAL & MINING CO., 101 Washington st.
WILMINGTON COAL ASSOCIATION, 41 W. Van Buren, cor Canal.

CORONER.

- 86 4 CORONER'S OFFICE, Room 10, County Building

DISTILLERS AND RECTIFIERS.

- 130 2 GARDEN CITY DISTILLING & RECTIFYING CO., 67 S. Canal st.
506 3 GARDEN CITY DISTILLING & RECTIFYING CO., Canalport ave. and Morgan st.
58 5 HAMBURGER BROS., 1-3 Randolph st.
96 5 RIVERDALE DISTILLING CO., 263 Kinzie st.

DETECTIVE AGENCY.

- 128 2 PINKERTON, ALLAN, 191-193 5th ave.

DRUGGISTS.

- 61 3 BUCK & RAYNER, 117 Clark st.
61 4 BUCK & RAYNER, 135 State st.

DRUGS, PAINTS AND OILS.

- 114 5 ARMSTRONG & CO., 246 Lake st.
50 3 CHICAGO WHOLESALE DRUG, PAINT AND OIL EXCHANGE, 42 Wabash ave
125 4 CHICAGO WHITELEAD AND OIL CO., Clinton and Fulton
92 4 FRAZER LUBRICATING OIL CO., 184 Kinzie st.
1 4 HURLBUT, H. A. & CO., 75 Randolph st.
45 4 HANFORD, P. C. & CO., 1 Wabash ave.
196 5 LAKE SHORE & MICHIGAN SOUTHERN OIL HOUSE, Clark and 12th sts.
54 3 LORD, STOUTENBURGH & CO., 86 Wabash ave.
49 3 MORRISON, PLUMMER & CO., 54 Lake st.
164 4 MURRAY & NICKELL, 77 Jackson st.
96 3 PARKER, COIT & CO., 206 Kinzie st.
54 3 PIONEER OIL CO., 217 So. Water st.
101 2 SENOUR, P. P. & CO., 205 Randolph st.
22 2 SPRAGUE, SMITH & CO., 49 Dearborn st.
37 3 STANDARD OIL CO., 17 Wabash ave
24 3 VAN SCHIAK, STEVENSON & CO., 92-94 Lake st.
121 5 UNION OIL CO., 40 Erie st.

DRUG COMMISSION.

- 22 3 BARRETT, M. L., 78 Dearborn st.

ENGRAVERS.

- 152 3 BAKER & CO., 184 No. Clark st.
3 2 DRANT & HAWTINS, 114 Dearborn st.

EXCHANGES.

- 10 2 FURNITURE MANUFACTURERS' EXCHANGE, 69 Dearborn st.
80 2 LUMBERMAN'S EXCHANGE, 238 So. Water st.
153 2 PROVISION, GRAIN & STOCK BOARD, Exchange Place.

ELECTROTYPE AND STEREO TYPE.

- 200 2 BLOMGREN BROS. & CO., 162-164 No. Clark st.

EXPRESS CO.

- 204 2 ADAMS EXPRESS CO., 53 Madison st.
55 3 BRINK'S EXPRESS, 39 Randolph st.
55 2 UNITED STATES EXPRESS CO., 89 Washington st.

FISH AND OYSTERS.

- 25 2 BOOTH, A., 63 Lake st.
13 5 LAFLIN & CO., 40 State st.

FRUIT BUTTER.

- 92 3 KLIEN, H. P. & CO., 155 Kinzie st.

back to the left and hang the telephone on the hook provided on the bell. In requesting connections with other subscribers, first give the name of your own firm, then the name and location of parties wanted. *While waiting for the connection to be made, turn your switch to the left, and as soon as the parties desired are connected on your wire the operator at Central Office will ring your bell once as a signal that the connections are made.*

When you have finished, hang the telephone on the designated hook, turn the switch to the left and ring the bell ONCE as a signal for the Central Office to disconnect the wires.

Subscribers are requested to report promptly to this office any trouble with wires or instruments.

The important thing to note is that in Chicago by October 1, 1878, the telephone united a varied list of business firms, representative of the diverse business of the city, in one network of communication. There were few names that could possibly represent residence telephones—this system, like the others considered, was the businessman's system. As the *Journal* said, "By the turn of a crank the pork dealer is placed in *verbal* communication with his packer, miles away—the merchant with his manufacturer—the lumber dealer with his yard—the banker with his broker—the farmer with his consignee—the grain dealer with his correspondent. . . ." The *Journal* adds, perhaps more with an eye to future business than to the present reality, "yea, even the husband with his wife, and the lover with his sweetheart. . . ."

On page 85 is shown, less than one-half the size of the original, the first page of the classified section of this interesting telephone directory of Chicago. Here are all the elements of the classified directory of today, that is, a detailed systematic classification of a wide variety of business subscribers, names and addresses, and call numbers. One notes the use of only a crude system of alphabetization—the names having the same initial were placed next to each other without any further attempt at refinement of the order. But the important thing to note is that there was a system in the arrangement of categories. So quickly had businessmen come to see the value of the telephone that, only four months after the telephone exchange had been installed in the young city of Chicago, the large number of telephones in use made necessary a systematic arrangement of the names of the subscribers.

Partnership Accounts in Twelfth Century Genoa

In a sketch of the activities of a Genoese public notary of the late twelfth century, which appeared in this *Bulletin* some time ago¹, it was pointed out that his records included a considerable number of partnership contracts. Such contracts were almost always concluded for the purpose of trading overseas. As we know, the Genoese merchants of the twelfth century were chiefly engaged in the trade with North Africa, Romania (the Byzantine Empire), the Levant, and also Spain, southern France, Sicily, and Sardinia.

Since there are thousands of partnership agreements in the extant cartularies of medieval Genoese notaries, we are well informed about all the legal aspects of such contracts, but we know little about the way in which these partnerships actually carried on their business, because hardly any accounting records of the twelfth century have survived. The existence, therefore, of accounts relating to the winding-up of three partnerships between Genoese merchants for the years 1156-1158 provides us with information as valuable as it is rare.

These partnerships for overseas trade were not formed for a period of years but for a single venture, that is to say, each partnership was dissolved at the close of each voyage. There were two principal types of contract: the *commenda* and the *societas maris*. Both involved coöperation between a traveling partner and an investing partner. In the *commenda* the venture was financed entirely by the investing partner; the traveling partner did not supply any capital, but he had to run the risk of a dangerous sea

¹Florence Edler de Roover, "The Business Records of an Early Genoese Notary, 1190-1192," *Bulletin of the Business Historical Society*, vol. xiv, no. 3 (June, 1940), pp. 41-46.

voyage and to endure all the discomforts that went with it. As a reward for his labors and hardships he usually received one-fourth of the profits; and the investing partner, who ran only the risk of losing his money, received the remaining three-fourths.

In the *societas maris* an opportunity was given the traveling partner to invest some of his profits made on previous voyages. Usually he supplied one-third of the capital and the investing partner, two-thirds; profits were shared equally. The *societas maris* was practically the same contract as the *commenda*, because profits in both cases were really divided according to the same rules. The active partner always received one-fourth of the profits for his labor; three-fourths always went to the investors of capital. Because in the *societas maris* the traveling partner supplied one-third of the capital, he received an additional one-fourth of the profits for his share as an investor of capital.

The traveling partner was frequently a young merchant with an adventurous and enterprising spirit but with little or no money to invest. The investing partner very often had been a traveling merchant in his early years who was now content to stay at home and to speculate with his accumulated profits. A part of these profits he usually devoted to the purchase of real estate and a part he entrusted to younger merchants.

The investing partner should not, however, be regarded as a silent or dormant partner who was interested only in a return on his capital and who shunned any responsibilities. In reality he had an important rôle to play and should perhaps, in order to emphasize the contrast between him and the "traveling" partner, be designated as the "stay-at-home" partner. It was the older partner who usually decided where the traveling partner should go, whether he should take with him money or goods, and which foreign wares he should buy in exchange. The investing partner also took charge of the sale of the goods which were brought back by the traveling partner.

The notarial records of Genoa show that not all the investing partners were retired traveling merchants. Some of them were nobles, clerics, widows, guardians of orphans, artisans, and shopkeepers, but it is likely that those people, in making venturesome investments, followed the advice of some experienced relative or acquaintance who looked after their interests for a consideration or out of real friendship. (Just as in the gay 'twenties, kind-

hearted businessmen gave market tips to the elevator-boy, to their widowed sisters, and to their favorite clergymen.)

Of course, the investing partner had to use his judgment in the choice of a traveling associate, because the latter had to assume a great deal of managerial responsibility in foreign parts. There being no rapid means of communication, the traveling merchant had to be given a free hand, in case the instructions received could not be carried out. Naturally it was impossible to foresee everything, such as price fluctuations, scarcity of certain goods, special bargains, and so forth.

The administrative problems in the age of the traveling merchant were still very simple. Most sales and purchases, chiefly in the Levant, were either cash transactions or barter agreements. Consequently, they involved little bookkeeping. Nevertheless, since he had to render account to the investing partner, the traveling merchant must have kept some kind of record of his business transactions and of his expenses. Another reason for keeping careful accounts was that one single traveling merchant frequently had contracts with several investing partners. Of course, a separate account had to be kept for each of them.

In spite of this minor complication, twelfth-century accounts were rather simple in comparison with modern accounting. Nothing shows this better than the three sheets of paper which contain the figures relating to the winding-up of three successive temporary partnerships between two Genoese—an investing partner, Ingo da Volta, and a traveling partner, Ansaldo Baialardo.

Those three sheets were found slipped in between the pages of the cartulary of the Genoese notary, John the Scribe (Giovanni Scriba). The acts of this notary are the oldest that are extant and cover the years 1155 to 1164. The importance of these insignificant-looking scraps of paper was first discovered by Professor Eugene H. Byrne, then of the University of Wisconsin, now of Barnard College and Columbia University. A careful study of them was eventually published by a young Italian scholar, Guido Astuti². To decipher the three sheets was a very difficult task because the accounts were jotted down in a disorderly way. Italian bookkeeping in the middle of the twelfth century was still in a primitive stage of development. With such unsystematic

²Guido Astuti, *Rendiconti mercantili inediti del cartolare di Giovanni Scriba* (Turin: Istituto Giuridico della R. Università di Torino, 1933).

methods of bookkeeping it would have been quite impossible to disentangle any business situation that was in the least complicated, which confirms our statement that administrative problems were relatively simple. Even so, the lack of system is responsible for some minor errors, which Dr. Astuti has pointed out; because of these errors, it is not always possible to give exact figures.

The first partnership was formed in the autumn of 1156, probably for a coastal voyage to Provence, Montpellier, or Catalonia. This partnership was a *commenda*; accordingly the active partner, Ansaldo Baialardo, did not put in any money. All the capital, amounting to £205 4s. 1d., was contributed by Ingo da Volta. Accounts showed, at the termination of the voyage, several months later, that a profit of £74 had been made. In accordance with the usual rules of the *commenda*, this profit had to be shared in the proportion of three-fourths to the investor and one-fourth to the traveler. Consequently, Ingo received £55 10s. and Ansaldo, £18 10s. Ingo's capital was thus raised from £205.4.1 to £260.14.1, or an increase of about 27 per cent.

In October, 1157, Ansaldo set out on another voyage, likewise to the western part of the Mediterranean, and entered into a new *commenda* agreement with Ingo da Volta. The latter invested £254.14.1, that is to say his original capital, plus the major part of the profits from the preceding venture. This time Ansaldo carried with him £18.10.0 of his own. This sum remained, however, outside the *commenda* agreement, and Ansaldo was consequently entitled to the full profit on his own investment. We know these details from the notarial records of John the Scribe, for it was he who drafted the contract of this second *commenda*.

The total profits on the second voyage amounted to £244.15.11, of which £17.9.11 were produced by Ansaldo's investment of £18.10.0. The remainder of £227.6.0 represents the profits of the *commenda* and was divided between the two partners in the customary proportion.

The account of each partner was made up as follows:

INGO DA VOLTA

Original investment	£254.14. 1
$\frac{3}{4}$ of <i>commenda</i> profit (£227.6.0)	170. 9. 6
	<hr/>
	£425. 3. 7

ANSALDO BATALARDO

$\frac{1}{4}$ of <i>commenda</i> profit (£227.6.0)	56.16. 6
His private investment	18.10. 0
Profit on private investment	17. 9.11

£92.16. 5

On the original sheet the allocation of profits is computed in two different ways with a difference of £1 between the two computations and with some other minor mistakes. The editor has tried in vain to reconcile the discrepancies.

This second venture was very profitable—the most profitable of the three. Ingo's investment was increased by approximately 67 per cent, and Ansaldo, who had started out with a capital of only £18.10.0, was now in possession of over £92.

The third partnership was formed on August 3, 1158, for a voyage to Syria, Palestine, and Egypt. This time Ansaldo had enough money to make a new kind of agreement, which was a combination of both the *commenda* and the *societas maris* contracts. Ansaldo invested £64.8.8 and Ingo invested twice this amount, or £128.17.4, under a *societas maris* contract: profits to be shared equally between the partners. In addition to this amount Ingo invested £284.9.10 under a *commenda* agreement: three-fourths of the profits were to go to him and one-fourth, not to Ansaldo, but to the *societas maris*. Consequently, each partner would get one-half of this fourth, that is to say, one-eighth. This was a common arrangement when a traveling merchant, who was already a party to a *societas maris* contract, received additional funds under the form of a *commenda*.

The third venture proved to be profitable, but not quite so profitable as the second. The proceeds from the sale of the goods brought back from the Levant amounted to about £760. This figure, less the original investment of £477.15.10, gives a profit of approximately £282. This amount was divided between the *commenda* and the *societas maris* in proportion to the total capital invested in each. As a result, £114 was allocated to the *societas maris* and £168 to the *commenda*.

The £168 was further divided as follows: three-fourths or £126 to Ingo, and one-fourth or £42 to the *societas maris*. The total profits of the latter were consequently £114 plus £42, or a total of £156. The division of the profits between the partners was

as follows: Ingo received the above-mentioned £126 plus one-half of the total profits of the *societas maris* or £78, and Ansaldo got only £78 for his share.

This last venture added about 50 per cent to the capital of Ingo, inasmuch as he received £204 on an investment of £403. Ansaldo's capital was more than doubled, having swollen from £64 to £142.

The sheets give more information about the goods brought back from the Levant than about those of the first two voyages. The list includes pepper for the value of £465; cotton for £176.14.0; sugar for £77; cardamon for £3; brazilwood (?) for £21.11.3.

The three documents also show how the profits were determined. Settlement between the partners apparently took place before all the goods had been sold. Unsold goods were presumably appraised at the market price. If the selling price later differed from this market price, some kind of adjustment became necessary. Once the aggregate proceeds of the venture had been determined, the expenses of the traveling partner were deducted. The difference thus obtained represented the net proceeds of the venture. From these net proceeds each partner was repaid his original investment. The remaining balance, representing profit, was then divided in accordance with the provisions of the partnership agreement.

Overseas trade in the Middle Ages was at times tremendously profitable, but the risks were great and ventures sometimes ended in such disaster as a shipwreck or the death of the traveling partner. As these records show, Ingo da Volta tripled his capital in three years. Ansaldo Baialardo, who started with nothing, accumulated a capital of £142 in the same period of time. There is no doubt that capital invested in real estate did not yield so much. The documents inserted in the cartulary of John the Scribe seem, therefore, to indicate that the accumulation of capital originated in the profits of trade rather than in income derived from landed property.

FLORENCE EDLER DE ROOVER,
MacMurray College.

To Enter Business or Not to Enter?

A Letter of 1807 Considers the Question

What does it take to be successful in business? In the letter¹ printed below, a doctor advised a brother who contemplated entering trade in a certain small Massachusetts town in the year 1807. In spite of its quaint tone, the letter raises interesting questions. Is the doctor's analysis of the situation essentially sound? What do you think of the qualifications he lists for success in trade in this instance? Does this simple consideration of the question have meaning for other times and business situations?

March 31st 1807.

Sir/

I have been told that when I was a Child it was a long time before I acquired strength, or Courage sufficient to walk with—If this be true it is not surprising that I still retain some of that cautious timidity which was natural to my infantile state; especially when it is considered that every advance that I have made hitherto in life is of the slow progressive kind.

Vanity never once suggested to me, that I possessed either Courage or Talents sufficient to astonish the World with my Conquests, or my Riches; or that in point of Policy I might claim rank with a Washington, a Hamilton, or an Adams; but on the contrary the utmost that I have had any right to hope for, is Mediocrity in Fortune; and Talents that by Men of unprejudiced minds might not be ranked among the meanest. Therefore I have for some years past chose rather to be usefull in the sphere of Action that Nature and Education have qualified me for; than to shine for a short time in a station where my imperfections would appear more conspicuous— This being premised you will readily perceive that my manner of reasoning, and action, will partake strongly of my Nature, Education, and former habits; nor can it be otherwise unless I go out of myself, and then I must become some other person— You state in your Letter what Macomber has done, what Kimball and the Gillmores probably do do, and what chance there is still left in the Theater for you to perform your part— I do not know but your statement may be correct, and your conjectures probable; but I will

¹The original is in the manuscript collection of Baker Library, Harvard University.

suppose a Case of somewhat different nature and leave you to judge of its consistency— I will suppose A Town to be Incorporated six miles square and to contain 1550 Inhabitants and that there are two Physicians in that Town which are amply sufficient to do all the business necessary to be done in the line of their profession in that place, and that each of them clears annually \$1000 which must be considered a very handsome Income to be sure: A person at a distance, of the same profession hearing of the success of his Brother Physicians at A immediately Resolves that it is best for him to stay no longer at B, where he can make only \$200 a year but says "I will remove to A and there establish myself, for I have not the least doubt but that I can there clear at least \$800 or \$900 per year which will make a difference of \$600 or \$700 in my annual Income"—

What an opinion should you have of the calculation of such a Physician? should you not say that he did not know that when his Phials were full they were incapable of containing any more?

It is a well known fact that it is with the Commercial world, as it is with the Natural, or Animal, the latter whatever it receives more than what is necessary for its continuation or support must stagnate or Corrupt, and the former whatever is received more than is necessary for the consumption of the Inhabitants must be exposed to a similar fate—

In this Town there are about the same number of Inhabitants that I have named in the supposed Case of the Physician, and six or seven Traders: you have selected those of them that do the most business, and state the probability of their annual Income; and I am willing to allow you to be correct in your statement; but shall ask a few questions that may not be altogether improper. And first are there already as many Traders within the Town as the Inhabitation can decently support? if you grant that there are I would ask which of them is to make way for you? Or are the Inhabitation to increase in number, wealth, and popularity in the same ratio with the increased number of Traders? If the last should be the case then probably you may make yourself snug enough; but if either of the former should prove to be nearer the probability it may be proper to ask some further questions before I proceed I will suppose you already in possession of a Capital of \$2000 on the best possible conditions that you can hope to obtain that sum upon— If the number of Traders are already sufficient within this Town it is a fact that some one, or more of them must fall as others rise.—

It may I think with truth be observed that there is always more or less warfare subsists between those of the same trade or occupation especially if Interest comes in competition.— Now I ask what weapons you are possessed of that will enable you to carry on a War either offensive or defensive and finally secure you the Victory?

Is your knowledge of this business greater than Maccombers?

Are you more skilful in the arts and duplicity necessary in trade than he is?

Are you more likely to collect a bad Debt than he is? Can you expect to be more successful in detecting Thieves than he?

Have you more property at your command than he has?
Or can you make more judicious purchases?
Can you boast more powerful friends or wealthy connections?
Are you more persevering than the Gillmores?
Have you more honesty and integrity than Pool?
Have you more cunning and craft than Willis?
Are you a better Republican than Wheelock?

To sum up the whole are your qualifications collectively considered any better for Trade in this Town than what is common to those I have named? Are your means to commence and carry on trade trully and simply considered any better than theirs? And will not twelve per cent for Money opperate in the end (like that Creature who is said to eat through the bowels of its Dam) and finally be the means of impoverishing your Father? I know that the above are home questions, but you will consider that they are asked by a Friend and dictated by a Brother and pardon such as may be amiss

I am sir etc.

Dr. Howard

Mr. E. Howard Jr. I do not wish that you should suppose from anything I have wrote that I am one of those that raise an expectation in another & then feast myself with their disappointment — no I detest such conduct — I have at present no notion of receding from what I have said but have wrote merely to show you the possibility of your calculation being much too favorable — It will not do for me to build too many Castels in the air

An Inventory of Business Records

A small book, recently come to the editor's desk, merits attention. It is entitled *Inventory of Business Records: The D. Connelly Boiler Company, The J. B. Savage Company*¹. It shows that important work is being done in preserving business records in the city of Cleveland. The Foreword attributes the beginning of this work to the late Professor Robert C. Binkley of Western Reserve University, who was untiring in his effort to persuade owners to preserve their records or to turn them over to some

¹Prepared and published in May, 1941, by the Ohio Historical Records Survey, Work Projects Administration, Cleveland, Ohio.

depository and who conveyed to his students and others some of his appreciation of the value of business records.

As the Preface states, this publication is an experiment in the field of business archives. Of the 104 pages about one-half are devoted to each of the two companies the names of which appear in the title. A short historical sketch is given for each company; in the "Inventory of Records" for each company the different kinds or series of records are carefully discussed, as to amount, years covered, and content; and, for the Connelly Company papers, a calendar of letters is given which clearly illustrates the content and value of the correspondence.